

By: Representative Bell (21st)

To: Ways and Means

HOUSE BILL NO. 364

1 AN ACT TO AMEND SECTION 27-65-105, MISSISSIPPI CODE OF 1972,
 2 TO EXEMPT FROM SALES TAXATION SALES OF TANGIBLE PERSONAL PROPERTY,
 3 LABOR, SERVICES OR PRODUCTS TO SCHOOLS AND SCHOOL DISTRICTS UNDER
 4 A PROGRAM THAT IS ADMINISTERED BY OR COORDINATED WITH AN AGENCY,
 5 COMMISSION, DEPARTMENT OR OTHER INSTRUMENTALITY OF THE UNITED
 6 STATES GOVERNMENT WHEN PAYMENT FOR THE TANGIBLE PERSONAL PROPERTY,
 7 LABOR, SERVICES OR PRODUCTS IS MADE BY OR THROUGH A NONPROFIT
 8 ORGANIZATION OR OTHER ENTITY ESTABLISHED BY OR FOR THE BENEFIT OF
 9 THE AGENCY, COMMISSION, DEPARTMENT OR OTHER INSTRUMENTALITY OF THE
 10 UNITED STATES GOVERNMENT ADMINISTERING OR COORDINATING SUCH
 11 PROGRAM; AND FOR RELATED PURPOSES.

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

13 **SECTION 1.** Section 27-65-105, Mississippi Code of 1972, is
 14 amended as follows:

15 27-65-105. The exemption from the provisions of this chapter
 16 which are of a governmental nature or which are more properly
 17 classified as governmental exemptions than any other exemption
 18 classification of this chapter shall be confined to those persons
 19 or property exempted by this section or by provisions of the
 20 Constitutions of the United States or the State of Mississippi.
 21 No governmental exemption as now provided by any other section
 22 shall be valid as against the tax herein levied. Any subsequent



23 governmental exemption from the tax levied hereunder shall be
24 provided by amendment to this section.

25 No exemption provided in this section shall apply to taxes
26 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972,
27 except as provided by paragraph (f) of this section.

28 The tax levied by this chapter shall not apply to the
29 following:

30 (a) Sales of property, labor, services or products
31 taxable under Sections 27-65-17, 27-65-19, 27-65-23 and 27-19-26,
32 when sold to and billed directly to and payment therefor is made
33 directly by the United States government, the State of Mississippi
34 and its departments, institutions, counties and municipalities or
35 departments or school districts of said counties and
36 municipalities.

37 The exemption from the tax imposed under this chapter shall
38 not apply to sales of tangible personal property or specified
39 digital products, labor or services to contractors purchasing in
40 the performance of contracts with the United States, the State of
41 Mississippi, counties and municipalities.

42 (b) Sales to schools, when such schools are supported
43 wholly or in part by funds provided by the State of Mississippi,
44 provided that this exemption does not apply to sales of property
45 which is not to be used in the ordinary operation of the school,
46 or which is to be resold to the students or the public.



47 (c) Amounts received from the sale of school textbooks
48 to students.

49 (d) Sales to the Mississippi Band of Choctaw Indians,
50 but not to Indians individually.

51 (e) Sales of firefighting equipment to governmental
52 fire departments or volunteer fire departments for their use.

53 (f) Sales of any gas from any project, as defined in
54 the Municipal Gas Authority of Mississippi Law, to any
55 municipality shall not be subject to sales, use or other tax.

56 (g) Sales of home medical equipment and home medical
57 supplies listed as eligible for payment under Title XVIII of the
58 Social Security Act or under the state plan for medical assistance
59 under Title XIX of the Social Security Act, prosthetics,
60 orthotics, hearing aids, hearing devices, prescription eyeglasses,
61 oxygen and oxygen equipment, when ordered or prescribed by a
62 licensed physician for medical purposes of a patient, and when
63 payment for such equipment or supplies, or both, is made, in part
64 or in whole, under the provisions of the Medicare or Medicaid
65 program, then the entire sale shall be exempt from the taxes
66 imposed by this chapter.

67 (h) Sales to regional educational service agencies
68 established under Section 37-7-345.

69 (i) Sales of buses and other motor vehicles, and parts
70 and labor used to maintain and/or repair such buses and motor
71 vehicles, to an entity that (a) has entered into a contract with a



72 school board under Section 37-41-31 for the purpose of
73 transporting students to and from schools and (b) uses or will use
74 the buses and other motor vehicles for such transportation
75 purposes. This paragraph (i) shall apply to contracts entered
76 into or renewed on or after July 1, 2010.

77 (j) Parking at events held solely for religious or
78 charitable purposes at livestock facilities, agriculture
79 facilities or other facilities constructed, renovated or expanded
80 with funds for the grant program authorized under Section 18,
81 Chapter 530, Laws of 1995.

82 (k) Sales of tangible personal property, labor,
83 services or products to schools and school districts under a
84 program that is administered by or coordinated with an agency,
85 commission, department or other instrumentality of the United
86 States government when payment for the tangible personal property,
87 labor, services or products is made by or through a nonprofit
88 organization or other entity established by or for the benefit of
89 the agency, commission, department or other instrumentality of the
90 United States government administering or coordinating such
91 program.

92 **SECTION 2.** Nothing in this act shall affect or defeat any
93 claim, assessment, appeal, suit, right or cause of action for
94 taxes due or accrued under the sales tax laws before the date on
95 which this act becomes effective, whether such claims,
96 assessments, appeals, suits or actions have been begun before the



97 date on which this act becomes effective or are begun thereafter;
98 and the provisions of the sales tax laws are expressly continued
99 in full force, effect and operation for the purpose of the
100 assessment, collection and enrollment of liens for any taxes due
101 or accrued and the execution of any warrant under such laws before
102 the date on which this act becomes effective, and for the
103 imposition of any penalties, forfeitures or claims for failure to
104 comply with such laws.

105 **SECTION 3.** This act shall take effect and be in force from
106 and after July 1, 2016.

